

Government of Canada Securities

A Publication of the Department of Finance

July 2005

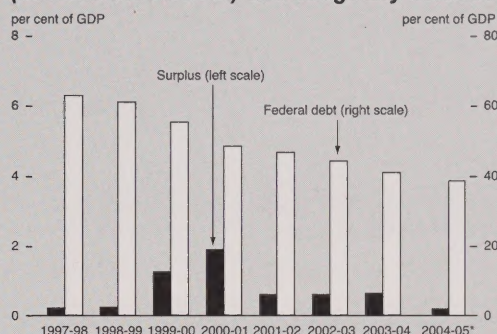
Canadian Economy

Selected Canadian economic statistics

	2004				2005
	Q1	Q2	Q3	Q4	Q1
Annualized growth rates (per cent)					
Real gross domestic product	2.7	3.9	2.9	2.1	2.3
Final domestic demand	5.2	2.4	3.5	4.3	5.8
Employment growth	1.1	2.0	1.3	1.7	0.6
Other					
Unemployment rate	7.4	7.2	7.1	7.1	6.8
Current account balance (percentage of GDP)	2.6	3.4	2.6	1.9	1.2

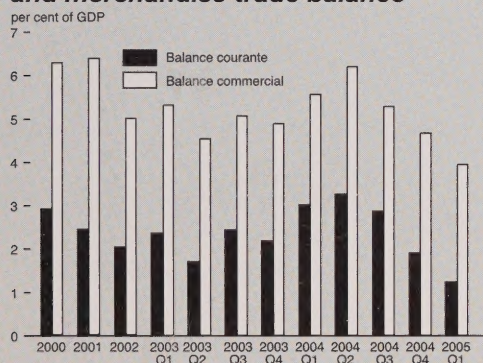
Source: Statistics Canada.

Government of Canada debt (accumulated deficit) and budgetary balance



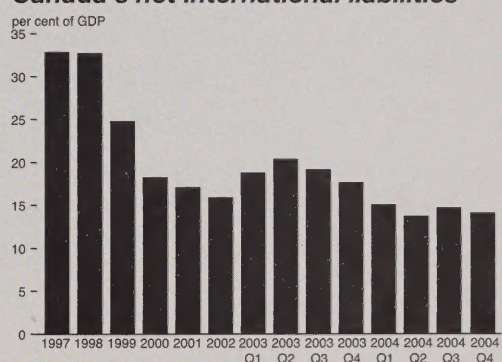
* Estimate (The Budget Plan, 2005).
Source: Department of Finance.

Canada's current account balance and merchandise trade balance



Source: Statistics Canada.

Canada's net international liabilities



Source: Statistics Canada.

Upcoming economic data releases of interest

July

June Labour Force Survey
(July 8)

June CPI
(July 22)

May GDP
(July 29)

August

July Labour Force Survey
(August 5)

July CPI
(August 26)

June GDP
(August 31)

National Economic and Financial Accounts
April-June 2005
(August 31)

September

August Labour Force Survey
(September 9)

August CPI
(September 22)

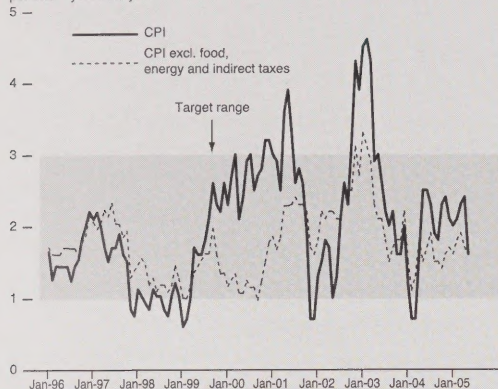
July GDP
(September 30)

Government of Canada Securities

Canadian Economy

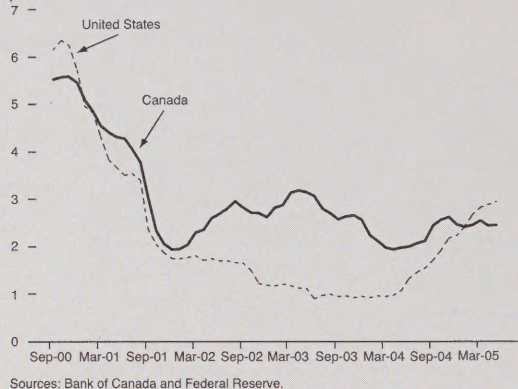
Consumer Price Index

per cent – year over year



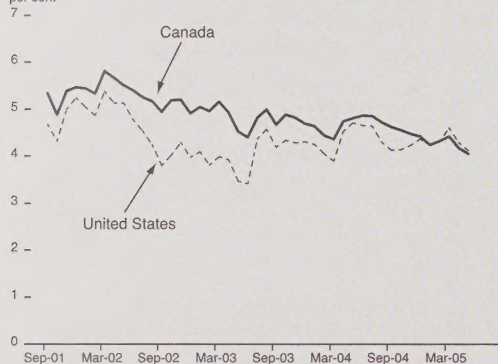
3-month treasury bill rates

per cent



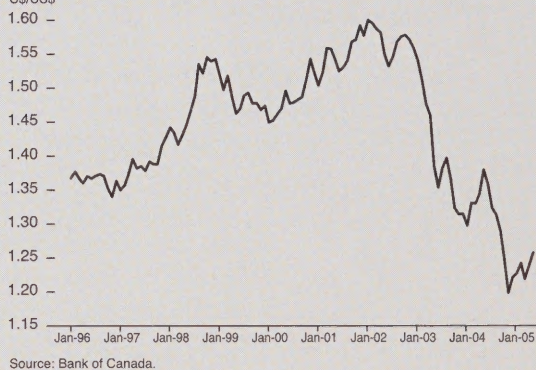
10-year government bond rates

per cent



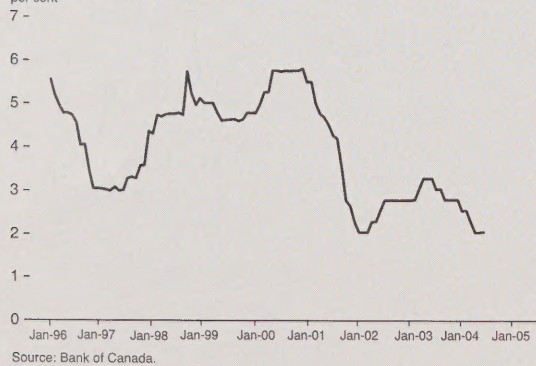
Exchange rate

C\$/US\$



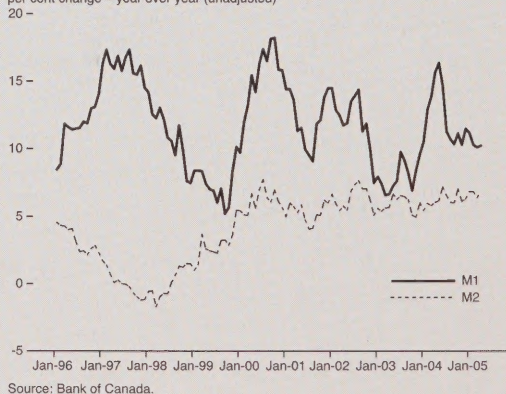
Overnight money market rate

per cent



Canadian monetary aggregates

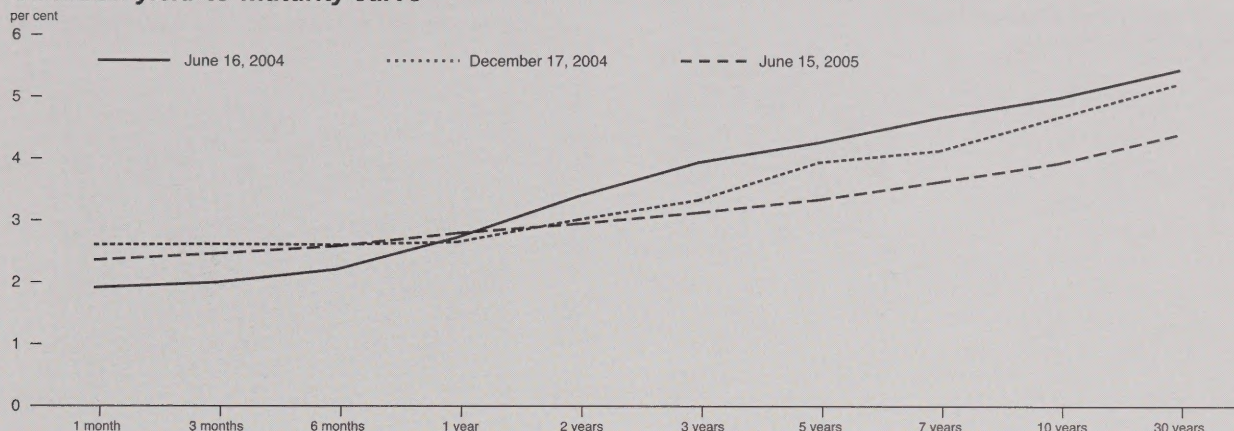
per cent change – year over year (unadjusted)



Government of Canada Securities

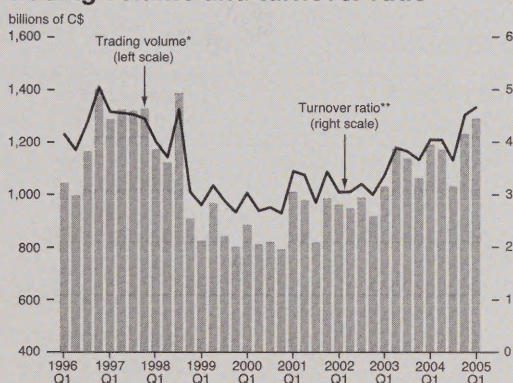
Secondary Market

Canadian yield-to-maturity curve



Source: Bank of Canada.

Government of Canada bonds trading volume and turnover ratio



*Trading volume is total trading volume in each quarter.
 **Turnover ratio = total trading volume in each quarter/stock.
 Source: Bank of Canada.

Government of Canada treasury bills trading volume and turnover ratio



*Trading volume is total trading volume in each quarter.
 **Turnover ratio = total trading volume in each quarter/stock.
 Source: Bank of Canada.

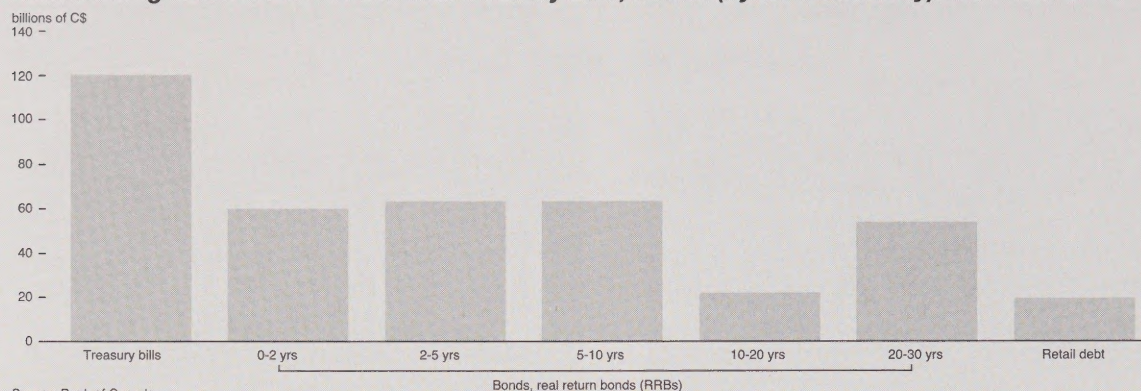
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- | | |
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Government of Canada Securities

Primary Market

Outstanding Government of Canada treasury bills, bonds (by term maturity) and retail debt



Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage*	Tail**
	(years)		(%)	(millions of dollars)		(%)		(basis points)
June 8, 2005	2	December 1, 2007	2.75	3,400	99.692	2.880	2.208	0.5
June 1, 2005	30	December 1, 2036	3***	400	126.799	1.870	2.547	n.a.
May 18, 2005	5	September 1, 2010	4	2,000	101.862	3.608	2.52	0.4
May 4, 2005	10	June 1, 2016	4.5	2,100	102.200	4.229	2.427	0.3

* Coverage is defined as the ratio of total bids at auction to the amount auctioned.

** Tail is defined as the high accepted yield minus the average yield.

*** Real return bond.

Source: Bank of Canada.

Government of Canada bond auctions

Type of issue	Auction date (2005)	Further details of issue (2005)	Dated and delivered (2005)	Amount maturing*
				(millions of dollars)
30-year	July 6	June 29	July 11	0
10-year	August 10	August 4	August 15	0
5-year	August 24	August 18	August 29	0
Real return bond	August 31	August 25	September 6	0
2-year	September 14	September 8	September 16	0

In addition, this quarter seven operations are planned under the Government of Canada bond repurchase program. Four repurchase operations are being held in conjunction with each nominal bond auction, and three switch repurchase operations are taking place: one on July 13 in the 5-year sector, one on July 27 in the 2-year sector and one on September 21 in the 10-year sector. Further details are released on the Thursday prior to these operations. The target amount for repurchase this quarter is \$2.9 billion.

*Maturity of \$8.8 billion on September 1, 2005.

Source: Bank of Canada.

Government of Canada Securities

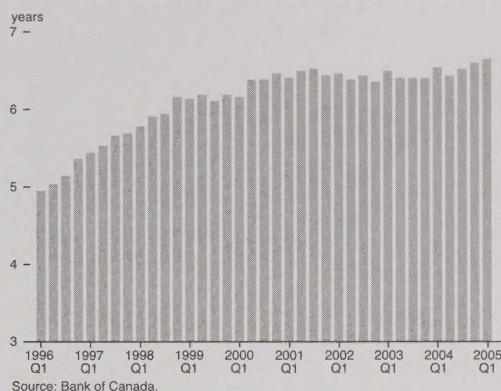
Primary Market

Government of Canada bond market benchmarks

Term	Maturity	Coupon	Amount outstanding	Yield
		(%)	(millions of dollars)	(June 21, 2005)
Fixed-coupon				
2-year	June 1, 2007	3.00	5,600	2.88
5-year	Sept. 1, 2009	4.25	10,100	3.25
10-year	June 1, 2014	5.00	10,867	3.85
30-year	June 1, 2033	5.75	13,410	4.32
Real return				
30-year	Dec. 1, 2026	4.25	5,250	1.79

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Upcoming Government of Canada marketable bond maturities

July-September 2005	October-December 2005	January-March 2006	April-June 2006
(millions of dollars)			
8,403	9,233	267	7,538

Outstanding Government of Canada foreign currency debt

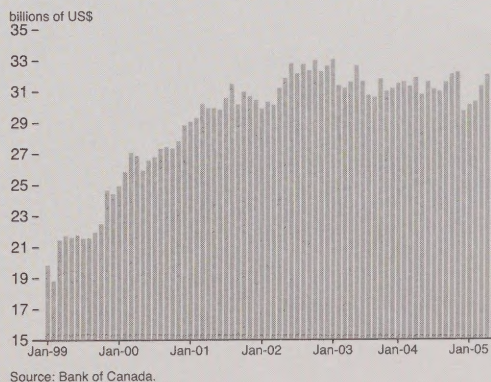
	(C\$ millions)*
Canada bills	2,444
Canada notes	1,138
Outstanding under EMTN program	1,616
6½% US\$ bonds maturing July 21, 2005	1,854
6¼% US\$ bonds maturing August 28, 2006	1,236
6% NZ\$ bonds maturing October 3, 2007	358
4% EUR bonds maturing July 7, 2008**	3,331
5¼% US\$ bonds maturing November 5, 2008	3,090

* At par value, adjusted for exchange rates as of June 20, 2005.

** Original issue of Deutsche Marks was redenominated into euros on February 19, 1999.

Source: Bank of Canada.

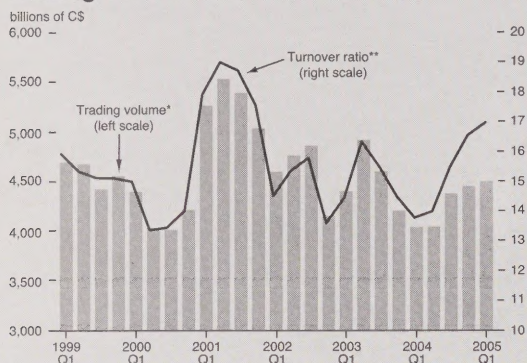
Canada's level of liquid foreign reserves



Government of Canada Securities

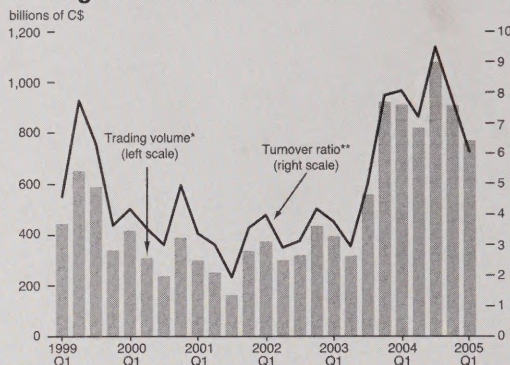
Secondary Market

Government of Canada bond repos trading volume and turnover ratio



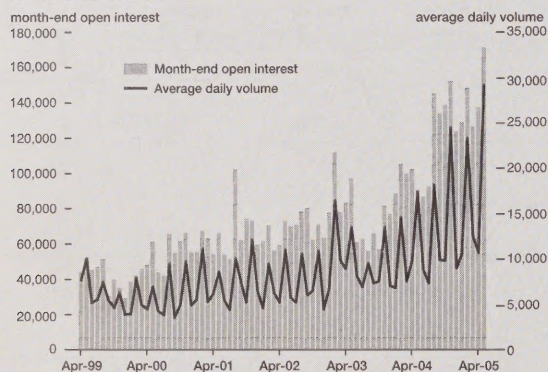
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Government of Canada treasury bill repos trading volume and turnover ratio



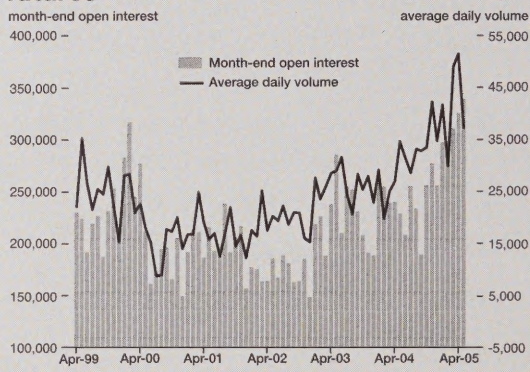
*Trading volume is total trading volume in each quarter.
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10-year Government of Canada bond futures



Source: The Montreal Exchange.

3-month bankers acceptance futures



Source: The Montreal Exchange.

Government of Canada long-term credit ratings

	Standard & Poor's	Moody's Investors Service	Dominion Bond Rating Service
	Current	Current	Current
Domestic debt	AAA	Aaa	AAA
– Trend	Stable	Stable	Stable
Foreign debt	AAA	Aaa	AAA
– Trend	Stable	Stable	Stable

This publication is also available on the Internet at www.fin.gc.ca.

Except as noted, the information in *Government of Canada Securities* is based upon data available as of June 21, 2005.

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